

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Applications of AT&T Inc. and DIRECTV)	MB Docket No. 14-90
for Consent To Assign or Transfer Control of)	
Licenses and Authorizations)	

AT&T INC. SEMI-ANNUAL COMPLIANCE REPORT ON
AT&T/DIRECTV MERGER CONDITIONS

FEBRUARY 26, 2018

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I. INTRODUCTION & COMPLIANCE OVERVIEW

On July 24, 2015, the Federal Communications Commission (“Commission”) approved, subject to conditions, the applications of AT&T Inc. and DIRECTV (collectively “AT&T” or the “Company”) to transfer control of various Commission licenses and other authorizations from DIRECTV to AT&T pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”).¹ The transaction closed the same day.

AT&T submits this fifth semi-annual report demonstrating compliance with the conditions set forth in Appendix B (the “Conditions”) of the *Merger Order*.² This report describes AT&T’s compliance with the following Conditions: (1) Fiber to the Premises (“FTTP”) deployment;³ (2) the provision of 1 Gigabit FTTP Service to covered E-rate eligible

¹ *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131 (2015) (“*Merger Order*”).

² AT&T submitted its first semi-annual report on January 27, 2016, covering the time period July 24, 2015 to December 31, 2015. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Jan. 25, 2016) (“First Semi-Annual Compliance Report”). AT&T’s second semi-annual compliance report covered the time period of January 1, 2016 to June 30, 2016. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed July 25, 2016) (“Second Semi-Annual Compliance Report”). On December 9, 2016, the Wireline Competition Bureau approved AT&T’s request for a 30-day extension of the date for filing the remaining semi-annual compliance reports. *Letter from Matthew DelNero, Chief, Wireline Competition Bureau, FCC, to Maureen R. Jeffreys, Arnold & Porter LLP, Counsel for AT&T*, 31 FCC Rcd 12,926 (Dec. 9, 2016). AT&T’s semi-annual reports are now due on February 24 and August 24 for each year of the reporting condition (for reporting periods that end December 31 and June 30, respectively). *Id.* Accordingly, AT&T submitted its third semi-annual report on February 24, 2017, covering the time period of July 1, 2016 to December 31, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Feb. 24, 2017) (“Third Semi-Annual Compliance Report”). AT&T submitted its fourth semi-annual compliance report on August 24, 2017, covering the time period of January 1, 2017 to June 30, 2017 (“Fourth Semi-Annual Compliance Report”). This fifth semi-annual compliance report covers the time period of July 1, 2017 to December 31, 2017.

³ *Merger Order*, Appendix B, § III.

schools and libraries;⁴ (3) non-discriminatory usage-based practices;⁵ and (4) the Discounted Broadband Services Program.⁶

As this report demonstrates, AT&T is in full compliance with the Conditions. Indeed, AT&T is performing above and beyond the Conditions' requirements. For example, as of December 31, 2017, AT&T has exceeded the end of year 2017 milestone for FTTP deployment

[BEGIN CONFIDENTIAL INFORMATION] [REDACTED]

[REDACTED] [END CONFIDENTIAL INFORMATION] And, AT&T has 50 percent more subscribers to its Discounted Broadband Services Program (the "Program") than the prior reporting period, and over 1000 organizations have agreed to help promote the Program.

In addition to the Conditions on which AT&T is required to report semi-annually, the *Merger Order* imposed certain compliance program Conditions.⁷ As AT&T explained in its First Semi-Annual Compliance Report, AT&T has satisfied the Conditions to appoint a Company Compliance Officer,⁸ develop and implement an Implementation and Compliance

⁴ *Id.*

⁵ *Id.*, Appendix B, § IV.

⁶ *Id.*, Appendix B, § VI. The *Merger Order* also imposed specific internet interconnection disclosure and reporting requirements, but did not require AT&T to include in its semi-annual report a description of its compliance with that Condition. *Id.*, Appendix B, § V.

⁷ *Id.*, Appendix B, § VII.

⁸ *Id.*, Appendix B, § VII(1) ("Within thirty (30) calendar days after the Closing Date, the Company shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as a Company Compliance Officer and to discharge the Company's duties with respect to the conditions specified in this Appendix B.").

Plan,⁹ and engage an Independent Compliance Officer (“ICO”)¹⁰ within the time frames required by the Conditions, and continues to comply with any associated Program and Reporting Conditions on an ongoing basis. AT&T has designated Suzanne Montgomery, Vice President – Compliance, as the Company Compliance Officer.¹¹ AT&T has engaged Donald K. Stern as the ICO, who has been approved by the Commission’s Office of General Counsel.¹² AT&T has had many meetings with Mr. Stern and his team to educate them about the Conditions, AT&T’s compliance activities, and the semi-annual compliance reports, and to prepare for and assist the ICO’s evaluation activities. Mr. Stern filed his fourth compliance report on October 23, 2017.¹³

⁹ *Id.*, Appendix B, § VII(2) (“The Company agrees that it shall, within sixty (60) calendar days after the Closing Date, develop and implement an Implementation and Compliance Plan designed to ensure its implementation of and compliance with the conditions specified in this Appendix B, establishing, *inter alia*, mechanisms to provide, on an ongoing basis, adequate notice and training to all Company personnel involved with the activities covered by the conditions in this Appendix B.”).

¹⁰ *Id.*, Appendix B, § VII(3)(a) (“Within ninety (90) days of the Closing Date, an Independent Compliance Officer shall be identified, whose selection is acceptable to the Company and approved by the Commission’s Office of General Counsel, in consultation with the Wireline Competition Bureau.”).

¹¹ Edward Barillari, who previously served as the Company Compliance Officer, retired at the end of 2017.

¹² *Independent Compliance Officer Identified in Accordance with AT&T-DIRECTV Merger Condition*, Public Notice, 30 FCC Rcd 11,556 (Oct. 23, 2015).

¹³ *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Oct. 23, 2017) (“ICO Fourth Report”). Mr. Stern filed his first compliance report on March 28, 2016. *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Mar. 28, 2016) (“ICO First Report”). Mr. Stern filed his second compliance report on September 23, 2016. *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Sept. 23, 2016) (“ICO Second Report”). Mr. Stern filed his third compliance report on April 25, 2017. *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Apr. 25, 2017) (“ICO Third Report”). *See also Merger Order*, Appendix B, § VII(3)(e) (“The Independent Compliance Officer shall prepare and submit, in accordance with the filing and service requirements set forth in Section VII.5. herein, a Compliance Report within sixty (60) days of receiving the Company’s reports required under the conditions specified in this Appendix B.”).

As described below, AT&T is addressing the recommendations and suggestions made by the ICO in his fourth report.

As described in AT&T's Implementation and Compliance Plan, AT&T has assembled a team of employees, including company officers, senior-level managers and attorneys, to develop, coordinate, and oversee implementation of the Conditions. A Program Management Team, led by AT&T officers, has overall responsibility for overseeing compliance for all Conditions. In addition, AT&T has established six "Working Teams" to oversee and ensure compliance with each specific Condition (or portion of a Condition). These Working Teams include AT&T officers and senior-level employees whose ordinary course responsibilities within AT&T encompass the activities covered by the Condition to which they have been assigned.¹⁴

This report is divided into separate sections for each specific Condition. The first part of each section provides the text of the Condition as set forth in Appendix B of the *Merger Order*. The second part of each section provides an overview of the processes and specific steps that AT&T has implemented to comply with the Condition, and the specific reporting requirements and associated exhibits required for each Condition.

¹⁴ In addition, AT&T has provided training to the Working Teams responsible for implementing and tracking compliance with the Conditions to ensure that they understand their obligation to promptly report any potential material noncompliance with any Condition. AT&T also has established an internal mechanism for reporting potential violations, and all such reports will be promptly reviewed and investigated by members of AT&T's Program Management Team.

II. FTTP DEPLOYMENT AND PROVISION OF GIGABIT FTTP SERVICE TO COVERED E-RATE ELIGIBLE SCHOOLS AND LIBRARIES

A. STATEMENT OF THE CONDITION

1. Condition

- a. Within four (4) years, in accordance with the timing requirements set forth in subparts 2.a.(i) through 2.a.(v), the Company shall deploy FTTP-based Broadband Internet Access Service to at least 12.5 million mass-market customer locations,¹⁵ such as those occupied by residences, home offices, and very small businesses (and excluding locations solely occupied by large enterprises and institutions), of which no more than 2.9 million may be upgrades to customer locations that receive speeds of 45 Mbps or more using fiber to the node (“FTTN”) technology:
 - (i) By December 31, 2015, the Company shall expand its FTTP coverage to at least 1.6 million of the aforementioned customer locations, including locations built as of April 15, 2015;
 - (ii) By December 31, 2016, the Company shall expand its FTTP coverage to at least 2.6 million of the aforementioned customer locations;
 - (iii) By December 31, 2017, the Company shall expand its FTTP coverage to at least 5.0 million of the aforementioned customer locations;
 - (iv) By December 31, 2018, the Company shall expand its FTTP coverage to at least 8.3 million of the aforementioned customer locations; and
 - (v) Within four (4) years of the Closing Date the Company will complete the aforementioned FTTP deployment to all 12.5

¹⁵ Customer locations are defined as addresses to which the Company has the technical ability to provide Broadband Internet Access Service and excluding broadband-connected locations such as gates, ATMs, and elevators (“Customer Locations”).

million customer locations and the Company will offer speeds of 45 Mbps or more to at least 25.7 million customer locations.

- b. No more than 1.5 million greenfield locations (*i.e.*, locations at which wire or fiber lines have not been deployed previously) may be counted towards the 12.5 million customer locations required in subsection 2.a.
- c. The Company may not use, receive, or request any Connect America Funds (“CAF”) for the investments required to satisfy the 12.5 million FTTP deployment transaction commitment or for operating expenses for such locations after such are deployed. Specifically, 12.5 million geocoded locations reported for purposes of this condition cannot be counted towards satisfying any CAF requirements.¹⁶
- d. In addition to the 12.5 million FTTP locations required by this condition, the Company is obliged to offer 1 Gbps FTTP Service (“Gigabit FTTP Service”) to any E-rate eligible school or library located within or contiguous to a distribution area in which the Company deploys FTTP-based service, including all of the distribution areas included with the 12.5 million FTTP buildout, which includes approximately 6,000 E-rate eligible schools and libraries (“covered schools and libraries”). Provided however, the Company is not obliged to deploy Gigabit FTTP Service to schools and libraries outside of its wireline footprint. In order to satisfy this condition, the Company must offer Gigabit FTTP Service in response to a Form 470 seeking bids for Gigabit FTTP Service to any covered school or library, pursuant to the E-rate rules, and it must engage in affirmative and adequate outreach to make all covered schools and libraries aware of the opportunity to purchase its Gigabit FTTP Services. The Company shall make adjustments to its outreach efforts in response to reasonable requests from the Commission’s Office of General Counsel.

¹⁶ This would include but is not limited to any of the CAF programs, as well as any other Universal Service Fund (“USF”) programs that the Commission may implement at a future date.

2. Reporting

- a. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that describes its compliance with subsections 2.a.-c. of this condition, with the first such report to be submitted six (6) months after the Closing Date, in a format similar to the report that the Company submits in connection with receiving CAF Phase I support, and is expected to submit in Phase II, which must include at least the following, in electronic format:
 - (i) The number of new customer locations to which FTTP service has been deployed during the reporting period;
 - (ii) A CSV file (comma separated values file) or other form approved by the Commission staff for each location to which FTTP service has been deployed in satisfaction of this deployment condition, information presented in substantially the format shown in the chart below (the same location information collected from CAF Phase I recipients);¹⁷
 - (iii) Any explanatory notes as required; and
 - (iv) Any other information the Independent Compliance Officer determines is reasonably necessary to report on compliance with this condition.
- b. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that describes its compliance with subsection 2.d. of this condition, with the first such report to be submitted six (6) months after the Closing Date, which must include at least the following, in electronic format:
 - (i) A list of the covered schools and libraries to which the Company has provided a bid for FTTP services pursuant to

¹⁷ The Company must provide LAT and LONG; however, if information for a column other than LAT/LONG is unavailable for a given location, that column may be left blank.

this condition, the FCC Form 470 associated with each such bid, and information about the monthly recurring charges and any special construction charges associated with each such bid;

- (ii) The number of covered schools and libraries to which Gigabit FTTP Service has been deployed during the reporting period;
- (iii) A CSV file (comma separated values file) or other form approved by the Commission staff for each school or library location to which Gigabit FTTP Service has been deployed in satisfaction of this deployment condition, information presented in substantially the format shown in the chart below;¹⁸
- (iv) Any explanatory notes as required;
- (v) A description of the Company's outreach to covered schools and libraries to notify them of the availability of Gigabit FTTP Service; and
- (vi) Any other information the Independent Compliance Officer determines is reasonably necessary to report on compliance with this condition.¹⁹

¹⁸ The Company must provide LAT and LONG; however, if information for a column other than LAT/LONG is unavailable for a given location, that column may be left blank.

¹⁹ Although this Condition refers to fiber deployment within or contiguous to "distribution areas" ("DAs"), that term relates to boundaries associated with copper technology. For fiber, the term equivalent to distribution area is a passive optical network ("PON") Serving Area ("PSA"). (A PON "is a cabling system that uses optical fibers and optical splitters to deliver services to multiple access points." Techopedia, Dictionary, <https://www.techopedia.com/definition/16009/passive-optical-network-pon> (last visited Feb. 20, 2018).) The PSA boundaries are often similar, but not identical to copper DA boundaries.

B. COMPLIANCE REPORT – FTTP DEPLOYMENT

1. Introduction and Working Team

AT&T has a Working Team that oversees and coordinates implementation of this Condition. This Working Team includes AT&T management personnel who, in the ordinary course of business, lead AT&T's FTTP expansion projects and have a proven track record of developing and executing broadband expansion plans within specified time frames. All members of this Working Team have been trained to understand what is required by this Condition, including the buildout milestones and the limitations on counting certain types of Customer Locations towards satisfying this Condition.

The Condition requires AT&T to expand its FTTP coverage to reach a total of 5 million Customer Locations by the end of 2017, *i.e.*, 2.4 million more locations beyond the 2016 deployment milestone.²⁰ The condition also requires AT&T to offer speeds of 45 Mbps or more to at least 25.7 million locations by July 24, 2019, *i.e.*, within four years of closing. As discussed below, AT&T has exceeded the end of year 2017 milestone for FTTP deployment in a manner fully consistent with the Condition's limitations on counting certain types of Customer Locations. In addition, during this reporting period, AT&T [BEGIN CONFIDENTIAL INFORMATION] [REDACTED]

[REDACTED] [END CONFIDENTIAL INFORMATION]

²⁰ *Merger Order*, Appendix B, § III(2)(a)(ii).

2. Total Deployment

AT&T is reporting a total deployment of FTTP service to [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] mass-market Customer Locations during the reporting period, reaching a total of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] mass-market Customer Locations as of December 31, 2017.²¹ A total of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] greenfield Customer Locations are included in this report. As explained in AT&T's Fourth Semi-Annual Compliance Report, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED]

[REDACTED]

²¹ As explained in AT&T's prior compliance reports, AT&T, Commission staff and the ICO have agreed upon a process that AT&T will use to report Customer Locations to which FTTP has been deployed within certain multiple dwelling units ("MDUs"). See Fourth Semi-Annual Compliance Report at 9 n.20; Third Semi-Annual Compliance Report at 11-12; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc. to Marlene H. Dortch, Esq., Secretary, FCC, MB Dkt No. 14-90 (Oct. 6, 2016) ("October 6, 2016 Letter") (describing the parameters under which AT&T may count towards the FTTP buildout requirements the individual Customer Locations within MDUs regardless of whether AT&T has deployed FTTP service to a particular MDU). However, AT&T's sales databases are designed to track locations where AT&T currently can sell service, and AT&T does not in the ordinary course of business track and report the granular information required to be reported in the *Merger Order*, Appendix B, § III(3)(ii), for MDU Customer Locations where it has allocated fiber to an MDU building but the MDU owner has not provided consent for AT&T to deploy fiber to each Customer Location within the MDU. *Id.* Accordingly, AT&T has not counted such Customer Locations in this report or included such Customer Locations in Exhibit 1. AT&T is in the process of developing the methodology to report such Customer Locations pursuant to this Condition and plans to include any such MDU Customer Locations in future semi-annual reports.

In addition, as recommended by the ICO, AT&T has confirmed with Commission staff that its interpretation of the [BEGIN CONFIDENTIAL INFORMATION] [REDACTED] [END CONFIDENTIAL INFORMATION] is consistent with the FCC's interpretation. See ICO Fourth Report at 20.

[REDACTED]

[REDACTED]

[REDACTED]²² [END HIGHLY CONFIDENTIAL INFORMATION] [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] of the total Customer Locations reported are upgrades to FTTN technology that received speeds of 45 Mbps or higher as of the Closing Date. No CAF funds were used, received, or requested by AT&T in order to deploy FTTP to these Customer Locations.²³

3. CSV File Reporting on Each Customer Location²⁴

Exhibit 1 contains information for each of the total Customer Locations to which FTTP service has been deployed in satisfaction of this Condition as of December 31, 2017.²⁵

²² [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION]

²³ AT&T has excluded from the CSV file any constructed FTTP customer location that is located in a PSA that AT&T reported as eligible for CAF I or CAF II funding, whether or not these CAF funds were used in whole or in part to construct that FTTP customer location. [BEGIN CONFIDENTIAL INFORMATION] [REDACTED] [END CONFIDENTIAL INFORMATION]

²⁴ AT&T has included the following information in the CSV file: Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude and Longitude of the Customer Location (if available as of the end of the reporting period); DA/PSA; the Service Address; City; State; Zip Code; and the Service Address Identification Number (a unique identification number assigned to each Customer Location in AT&T's databases and systems in the ordinary course of business).

Exhibit 1 includes Customer Locations for which AT&T has deployed FTTP service as of December 31, 2017, even if AT&T does not have latitude and longitude coordinates at this time. For those Customer Locations where latitude and longitude coordinates are not available for inclusion in a compliance report, AT&T will provide those coordinates in a subsequent compliance report when those coordinates become available in AT&T's ordinary course databases. See Fourth Semi-Annual Compliance Report at 11 n.23; Third Semi-Annual Compliance Report at 13-14; October 6, 2016 Letter at 3-4.

As explained in AT&T's Fourth Semi-Annual Compliance Report, AT&T has formally documented and updated its FFTP reporting process that it uses to prepare the CSV file and compliance reports for the FFTP Condition. This documentation describes AT&T's data-merging and quality control process, including the specific data-field interrelationships and queries used to track and report FFTP deployment.²⁶ As in the prior reporting period, AT&T will provide to the ICO, as a supplement to Exhibit 1, additional data about each Customer Location to enable the ICO to verify that the reported Customer Locations are in compliance with the Condition.²⁷ In addition, as in the prior reporting period, AT&T provided to the ICO a summary of the data verification procedures [BEGIN CONFIDENTIAL INFORMATION] [REDACTED] [END CONFIDENTIAL INFORMATION] in completing the FFTP deployment data submission for AT&T's Fourth Semi-Annual Compliance Report.

Footnote continued from previous page

²⁵ The data provided in Exhibit 1 is obtained from AT&T's ordinary course databases, which may be modified or corrected from time to time. For example, these databases are routinely updated with changes, corrections, and improved data that may be obtained from the field as part of the ongoing FFTP deployment process. Such updates are common in greenfield locations where changes routinely occur as part of the development process, but database updates also occur in locations where AT&T overbuilds fiber. Accordingly, the information provided in Exhibit 1 for a particular Customer Location in one reporting period may be updated in a subsequent reporting period. As explained in the Fourth Semi-Annual Compliance Report, for each compliance report, AT&T plans to provide information for each of the total Customer Locations to which AT&T has deployed FFTP service in satisfaction of this Condition as of the end of that reporting period based on the data available in the ordinary course databases at that time. See Fourth Semi-Annual Compliance Report at 11 n.24.

²⁶ *Id.* at 14.

²⁷ AT&T will provide the ICO with [BEGIN CONFIDENTIAL INFORMATION] [REDACTED] [END CONFIDENTIAL INFORMATION] for each Customer Location.

C. COMPLIANCE REPORT – GIGABIT OFFERS TO COVERED E-RATE ELIGIBLE SCHOOLS AND LIBRARIES

1. Introduction and Working Team

AT&T has a Working Team to oversee and coordinate compliance with the Condition requiring AT&T to offer 1 Gbps FTTP Service to covered E-rate eligible schools and libraries (“E-rate Condition”). This Working Team includes AT&T senior managers who, in the ordinary course of business, oversee AT&T’s business-level broadband internet access services and its participation in the E-rate program.

The E-rate Condition, like the E-rate program itself, is centered on the Commission’s Form 470 process. The E-rate fiscal year runs from July 1st to June 30th. Under the Commission’s procedures, individual schools and libraries, school districts, library systems, buying consortia and states may post a Form 470 each fiscal year until approximately February/April, seeking bids for a contract that typically would begin the following July 1st. For example, these entities post Form 470s from about October 2017 to February 22, 2018 for contracts for which E-rate funding will not begin until July 2018. Thus, if awarded, AT&T will begin providing E-rate eligible service under the E-rate Condition pursuant to Commission rules²⁸ for any Form 470s to which AT&T responded during this reporting period on or after July 1, 2018, depending on the customer’s desired due date.

As discussed in the sections that follow, AT&T is complying with this Condition by (1) identifying covered schools and libraries located where AT&T plans to have deployed FTTP services by the end of the first half of 2018 (*i.e.*, the beginning of the new E-rate funding year);

²⁸ 47 C.F.R. § 54.507(d)(2).

(2) responding to all Form 470s seeking bids for 1 Gigabit FTTP Service to any such covered school or library;²⁹ (3) deploying as requested 1 Gigabit FTTP Service to any bid awarded for that service by a covered school or library; and (4) conducting affirmative and adequate outreach to make covered schools and libraries aware of the opportunity to purchase 1 Gigabit FTTP Services.

2. Methodology for Identifying “Covered Schools and Libraries”

The E-rate Condition requires AT&T “to offer 1 Gbps FTTP Service . . . to any E-rate eligible school or library located within or contiguous to a DA in which the Company deploys FTTP-based service.”³⁰ For purposes of compliance with this Condition during the 2017-2018 E-rate season for the funding year 2018 which will begin July 1, 2018, AT&T applied the same methodology for identifying covered schools and libraries described in the Fourth Semi-Annual Compliance Report.³¹ Specifically, AT&T compiled a list of fiber routes³² that include PSAs where AT&T has deployed FTTP-based service or plans to deploy FTTP by June 30, 2018. Using the most recently available Universal Service Administrative Company (“USAC”) data, AT&T identified all of the E-rate eligible individual schools and libraries located within those fiber routes, which is approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

²⁹ Schools and libraries typically purchase commercial broadband services with a guaranteed quality of service. **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** [REDACTED]

[REDACTED] **[END HIGHLY CONFIDENTIAL INFORMATION]**

³⁰ *Merger Order*, Appendix B, § III(2)(d).

³¹ Fourth Semi-Annual Compliance Report at 13-14.

³² AT&T’s wire centers are divided into multiple fiber routes. Multiple PSAs make up a fiber route.

██████████ [END HIGHLY CONFIDENTIAL INFORMATION] schools and libraries. Because multiple PSAs make up a fiber route, this methodology sweeps well beyond what the Condition requires.

As discussed in the sections that follow, AT&T has used this list of “covered schools and libraries” for purposes of responding to Form 470s seeking bids for 1 Gigabit FTTP Service.³³

3. Process for Responding to Form 470s

The existing E-rate sales team is responsible for responding to the Form 470s received from covered schools and libraries. AT&T has integrated the requirements of this Condition into the processes it uses in the ordinary course of business to respond to Form 470s, and has overlaid additional processes to ensure compliance with the Condition.

During the reporting period, the Working Team used the most recent list of covered schools and libraries identified using the methodology described above and compared these covered school and library addresses to the addresses listed for the E-rate school and library locations that have registered as participants in the E-rate program. AT&T searched the USAC database for the Billed Entity Numbers (“BENs”) for individual schools and libraries.³⁴ For each matching address, the BEN of the individual covered school and library was identified and captured. AT&T further researched the database to determine whether any such individual covered school or library location was part of a school district or library system (“Parent Entity”)

³³ As explained in AT&T’s prior compliance reports, AT&T has formally documented and updated its mapping methodology for identifying covered schools and libraries within and contiguous to AT&T’s FTTP deployment. Second Semi-Annual Compliance Report at 18; Third Semi-Annual Compliance Report at 18 n.41; Fourth Semi-Annual Compliance Report at 14 n.33.

³⁴ Universal Service Administrative Co., Schools and Libraries, Tools, Entity Download Tool, <https://data.usac.org/publicreports/EntityDownload/Entity/Download> (last visited Feb. 20, 2018).

that might itself file a Form 470 under which the individual covered school or library might purchase E-rate services and, if found, captured the Parent Entity BEN. AT&T then flagged all of the identified BENs, approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** [REDACTED] **[END HIGHLY CONFIDENTIAL INFORMATION]** BENs, and loaded them into the system used in AT&T's ordinary course of business to respond to Form 470s. This system flags any of these BENs that post a Form 470 with a positive indicator, which is then reviewed to determine if the specifics of the request meet the Condition requirements.

For consortia, after a consortium posts a Form 470 it is necessary for AT&T to review the consortium's Form 470 to determine the school districts or library systems that are members of that consortium, and then manually identify whether any individual covered school or library is a member of those school districts or library systems.

For the 2017-2018 E-rate season, AT&T used the list of BENs corresponding to individual covered school and libraries, school districts, and library systems, supplemented by the review of consortia Form 470s, to search for any Form 470 posted by these entities. Then, AT&T offered 1 Gigabit FTTP Service in response to any Form 470 seeking bids for 1 Gigabit FTTP Service filed by one of the BENs identified for the covered schools and libraries, school districts, library systems, or consortia.³⁵

AT&T will continue to review and refine its processes for responding to Form 470s for covered schools and libraries based on its experience during this E-rate season.

³⁵ As explained in AT&T's prior compliance reports, AT&T has formally documented and updated its procedures for responding to bids from covered schools and libraries. Second Semi-Annual Compliance Report at 20; Third Semi-Annual Compliance Report at 20 n.43; Fourth Semi-Annual Compliance Report at 16 n.35.

4. List of Schools and Libraries to which AT&T Has Provided Bids

Exhibit 2.a contains a list of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] Form 470s to which AT&T has, during the period from July 1, 2017 to December 31, 2017, provided a bid to serve a covered school or library with 1 Gigabit FTTP Services during the 2018 E-rate funding season. Exhibit 2.a also contains links to the FCC Form 470 associated with each such bid, and information about the monthly recurring charges and any special construction charges associated with each such bid. Exhibit 3 contains copies of the FCC Form 470s listed in Exhibit 2.a.

Above and beyond this Condition, AT&T has responded to E-rate Form 470s from covered schools and libraries that sought bids for fiber-based services that are not expressly covered by this Condition.³⁶ Detailed information about such bids and services is not included in this report.

5. Total Deployment and CSV File

The Condition requires AT&T to provide information about “each school or library location to which Gigabit FTTP Service has been deployed in satisfaction of this deployment condition.” As explained above and in AT&T’s Fourth Semi-Annual Compliance Report, the E-rate fiscal year and contracts for 1 Gbps FTTP service awarded under the E-rate program run from July 1st to June 30th, and service providers thus generally do not begin to provide E-rate

³⁶ For example, AT&T identified and responded to Form 470s, posted during the reporting period, for AT&T to provide broadband internet access services above 1 Gbps speeds to covered schools and libraries, including [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[END HIGHLY CONFIDENTIAL INFORMATION]

supported service until July 1st.³⁷ Under the Commission's procedures, an eligible school or library may post a Form 470 each fiscal year until approximately February/April, seeking bids for a contract that typically would begin no sooner than the following July 1st. Thus, this reporting period covers any deployment pursuant to this Condition for the 2017 funding year because AT&T will begin providing E-rate eligible service on or after July 1, 2018 for any contracts awarded during the 2017-2018 E-rate season.

AT&T began providing service on or after July 1, 2017 for contracts awarded during the 2016-2017 E-rate season. Exhibit 2.b is a CSV file that contains information for each covered school or library location to which 1 Gigabit FTTP Service has been deployed in satisfaction of the Condition as of December 31, 2017.³⁸

As explained in AT&T's Fourth Semi-Annual Compliance Report, while AT&T is the largest provider in the E-rate program of all network and voice services, AT&T often serves high speed internet needs for covered schools and libraries through solutions that are not funded through E-rate and/or not covered by the Condition. Accordingly, there are multiple reasons why AT&T may have few reportable deployments of 1 Gigabit FTTP Service during a reporting period.³⁹ For example, in 15 states within AT&T's 21-state wireline service area, there are 16

³⁷ See Fourth Semi-Annual Compliance Report at 17.

³⁸ The Condition requires AT&T to include the following information in the CSV file: Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude; Longitude; Name; District Name; Monthly Charge; and Special Construction Charge. *Merger Order*, Appendix B, § III(3)(b)(ii)-(iii).

³⁹ See Third Semi-Annual Compliance Report at 21-22.

state institutions that procure an internet backbone designed to deliver broadband service to anchor institutions, including schools and libraries. In particular, in 10 states, a state agency provides a statewide network, often purchasing the underlying broadband services from commercial ISPs, including AT&T.⁴⁰ In six states, the higher education system provides centralized internet access to schools.⁴¹ The state agencies or university systems use E-rate and/or state budgets to fund these networks. Under these models, anchor institutions may receive a finite amount of internet access at no cost or at a rate that is subsidized by state budgets or federal broadband programs outside of E-rate. When schools and libraries can procure internet access services through these statewide networks, they generally only issue their own Form 470s to buy internet access services from commercial ISPs if they need to augment the service they receive from the statewide networks. Therefore, the statewide networks reduce the number of schools and libraries seeking to purchase commercial ISP services. In other instances, statewide networks themselves function as E-rate service providers, competing at subsidized rates against AT&T and other commercial ISPs to provide service in response to school and library Forms 470.

In addition, schools and libraries often seek bids for a range of speeds. Thus, AT&T may be chosen as the internet access provider for a Form 470 to which it reported as being covered by

⁴⁰ These states include Arkansas, California, Georgia, Florida, Illinois, Kentucky, North Carolina, South Carolina, Tennessee, and Wisconsin.

⁴¹ These states include Ohio, Oklahoma, Kansas, Wisconsin, Mississippi, and Missouri. Wisconsin has both a state agency and a higher education system that provide internet access services to anchor institutions.

the Condition, but the institution may choose to utilize service at a speed either above or below 1 Gigabit, which service deployment would not be reportable under the Condition. And even if the covered school or library purchases internet access service from AT&T and elects to install 1 Gigabit FTTP Service, the customer may require that service to be delivered at a location or locations that are not within or contiguous to AT&T's FTTP deployment, which again would not be reportable under the Condition. Finally, AT&T faces competition from other private internet access service providers and may not have been chosen as the internet access provider.

6. Outreach

AT&T has an existing sales channel responsible for larger state and local government and education customers, including schools and libraries. AT&T also has a separate sales channel responsible for smaller local government and education customers, again including schools and libraries. AT&T's sales channels provide information about available E-rate products and services to potential customers in the ordinary course of business.

Building on AT&T's established efforts to make prospective school and library customers aware of the opportunity to purchase E-rate services, AT&T has implemented additional outreach to inform covered schools and libraries about AT&T's 1 Gigabit FTTP Service offer pursuant to this Condition. As described below, AT&T is reaching out to schools and libraries within AT&T's wireline footprint by further disseminating information at technology conferences and events within AT&T's wireline footprint; providing information about its 1 Gigabit FTTP Services to all schools and libraries to which AT&T has won a bid to provide service through the E-rate program; and via direct mail and email.

Technology Events: AT&T conducts outreach to schools and libraries regarding E-rate today through a variety of avenues, such as presentations at technology fairs, school visits, and

other special events, as well as materials distributed by AT&T's marketing organization and by its sales teams. AT&T is leveraging these existing avenues to encourage covered schools and libraries to seek bids for the 1 Gigabit FTTP Services AT&T offers pursuant to this Condition. AT&T attended 12 technology conferences in the second half of 2017 and estimates a combined total of over 15,500 educators attended these events.⁴²

E-rate Services Welcome Package: When AT&T receives a Funding Commitment Decision Letter from USAC with respect to any E-rate eligible service, AT&T sends a welcome package email and instructions to the E-rate customer with information about AT&T's E-rate products and services. AT&T includes information about the 1 Gigabit FTTP Service in this welcome email stating that: "AT&T is pleased to inform you that we are expanding our fiber based Internet Access services into new areas every day. AT&T may have an FTTP Internet Access service with high-broadband capacity, including 1G in your area." The welcome email further includes a link to the AT&T E-rate website and an online form to request information.⁴³

Direct Mail and Email Outreach: On or about August 23, 2017, AT&T commenced outreach for the next E-rate fiscal year beginning July 1, 2018. As part of this outreach, AT&T sent direct mail communications intended to reach all schools and libraries in AT&T's wireline footprint. In total, AT&T sent the direct mail communication to over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL]

⁴² Exhibit 5 contains a list of the technology conferences and events that AT&T attended in the second half of 2017. Exhibit 6 is a sample of the promotional flyer that AT&T distributes to prospective E-rate customers at these events.

⁴³ See AT&T, AT&T E-rate, Contact an Expert, <https://www.corp.att.com/erate/contact/contact.html> (last visited Feb. 20, 2018).

INFORMATION] schools and libraries listed in the USAC database and National Telecommunications & Information Administration (“NTIA”) broadband mapping data.⁴⁴ A sample copy of the direct mail notice is attached as Exhibit 4. During the next reporting period, AT&T plans to send follow-up communications, to the extent AT&T has valid email addresses for the school and library representatives.

III. NON-DISCRIMINATORY USAGE-BASED PRACTICES

A. STATEMENT OF THE CONDITION

1. Condition

- a. In the application of usage-based allowances or other retail terms and conditions for Fixed Broadband Internet Access Service, the Company shall not discriminate in favor of its own Video Programming Service, including Company-operated online Video Programming service or any Company “TV Everywhere” service (whether operated by AT&T’s U-verse service, DIRECTV, or the equivalent), or any content or application available through its own Video Programming services, including through the exemption of one or more of its own Video Programming services from usage-based allowances. For the avoidance of doubt and consistent with such prohibition, this condition does not prohibit the Company from offering discounts for integrated bundles of the Company’s U-verse or DIRECTV satellite Video Programming service or rebranded offerings of these services with the Company’s Fixed Broadband Internet Access Services.

⁴⁴ AT&T’s outreach is likely over-inclusive because the USAC database includes schools and libraries that may no longer exist. For the previous E-rate funding season in which AT&T used only NTIA data for its outreach efforts, AT&T sent direct mail communications to over **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[REDACTED]** **[END HIGHLY CONFIDENTIAL INFORMATION]** schools and libraries. AT&T Third Semi-Annual Compliance Report at 24.

2. Reporting

- a. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that details its compliance with this condition, with the first such report to be submitted six (6) months after the Closing Date, which will include at least the following: a description of all terms and conditions associated with its usage-based allowances and any other information the Independent Compliance Officer determines is reasonably necessary to report as required by this condition.

B. COMPLIANCE REPORT

1. Introduction and Working Team

AT&T has a Working Team that oversees and coordinates compliance with the Non-Discriminatory Usage-Based Practices Condition. The Working Team is composed of officers and senior managers who, in the ordinary course of business, oversee the development of AT&T's retail terms and conditions for its Fixed Broadband Internet Access Service. AT&T's businesses are subject to a wide variety of regulatory requirements and, in the ordinary course of business, AT&T has developed processes to ensure that proposals that may implicate such regulations are subject to review before AT&T proceeds to any marketplace actions. AT&T is using similar procedures to implement and ensure full compliance with this Condition. As previously explained, AT&T also has conducted training sessions regarding the requirements of this Condition for personnel involved in the development of the products and services covered by the Condition, including Working Team members, company officers, senior-level managers,

attorneys, and new personnel.⁴⁵ As required by the Condition, in the application of usage-based allowances or other retail terms and conditions for Fixed Broadband Internet Access Service, AT&T has not discriminated in favor of its own Video Programming Service. Accordingly, AT&T has been in full compliance with this Condition during the time period covered in this report.

2. Terms and Conditions Associated with AT&T's Usage-Based Allowances

AT&T has established monthly usage allowances for some of its internet access services. The usage allowances specify the amount of data that can be used in a customer's monthly billing cycle before overage usage charges are assessed. Effective during the entire reporting period, the current monthly usage allowances:

- 150 GB for AT&T DSL service
- 160 GB for Fixed Wireless Internet⁴⁶
- 1 TB for AT&T Internet⁴⁷ for speed tiers between 768 kbps and 300 Mbps
- Unlimited usage for AT&T Internet service for the 1 Gbps speed tier
- Unlimited usage is available on AT&T Internet service for \$30/month,⁴⁸ or for customers bundling new or existing AT&T Internet service (other than AT&T DSL or Fixed

⁴⁵ First Semi-Annual Compliance Report at 31; Second Semi-Annual Compliance Report at 26; Third Semi-Annual Compliance Report at 25-26; Fourth Semi-Annual Compliance Report at 23.

⁴⁶ AT&T Fixed Wireless Internet provides qualified households and small businesses with high-speed internet service via an outdoor antenna and indoor Wi-Fi Gateway router, and includes download speeds of at least 10 Mbps. AT&T, Fixed Wireless Internet, Frequently Asked Questions, <https://www.att.com/internet/fixed-wireless.html> (last visited Feb. 20, 2018). AT&T Fixed Wireless Internet service is currently available in parts of 18 states. Press Release, AT&T Launches Fixed Wireless Internet in Rural and Underserved Areas in 9 States (Sept. 27, 2017), http://about.att.com/story/fixed_wireless_internet_in_9_new_states.html.

⁴⁷ AT&T Internet was formally known as AT&T U-verse High Speed Internet.

Wireless Internet) with their new or existing AT&T video (DIRECTV or U-verse TV) services on a combined bill at no additional charge (a discount of \$30/month as a benefit of bundling)

AT&T uses the following procedures to notify its AT&T Internet, DSL and Fixed Wireless Internet service customers when their data consumption approaches their data allowances to enable them to avoid additional usage charges. These procedures typically provide a customer at least seven email notifications before the customer is billed for any usage above her data plan's allowance.⁴⁹ The first time a subscriber's usage exceeds the data plan, she receives an email notification describing the usage measurement plan and process, informing her that she will not be billed for the usage, and providing a link to the usage website. In a subsequent monthly billing cycle in which a customer's usage level approaches her data allowance for the second time, AT&T sends the customer grace email notifications when her usage reaches 65 percent, 90 percent, and 100 percent of the usage threshold. These grace notifications inform the customer that she is now in her second month of overage usage, but will not be billed during this grace period. These grace notifications again contain a link to the usage website. In any subsequent billing cycle in which a customer's usage level approaches the data plan allowance for the third time, AT&T sends billing email notifications when her usage reaches 65 percent, 90 percent, and 100 percent of the usage threshold. These billing notifications contain a link to the usage website and inform the customer that she is in her third

Footnote continued from previous page

⁴⁸ Unlimited internet data is not available to DSL or Fixed Wireless Internet customers.

⁴⁹ This process does not apply to wireline internet access customers who have unlimited data since there is no monthly data allowance that a customer could potentially exceed.

month of overage usage and will be billed after exceeding her usage allowance. At this point, AT&T assesses overage charges for customers at a rate of \$10 for each 50 GB of usage over the monthly allowance, up to a maximum of \$100 for AT&T Internet, or \$200 for DSL and Fixed Wireless Internet. In any subsequent month in which the customer's usage exceeds the threshold and the customer incurs overage billing, AT&T sends email notifications to the customer when her usage reaches 75 percent and 100 percent of each overage bucket.

AT&T provides information regarding its usage allowances on its publicly accessible website at <http://www.att.com/internet-usage>, and customers may obtain additional information regarding usage through the AT&T Internet Terms of Service.⁵⁰ AT&T also provides customers with access to various online tools to help them understand and track their data usage, including data calculators, FAQs, usage tracking reports, and instructional videos. Customers also are provided information about the usage allowances, charges, and practices through AT&T's advertising disclosures, order summaries, online registration website, and bills. Additional information about the network practices, performance characteristics, and commercial terms of AT&T's broadband internet access services is available at <http://www.att.com/broadbandinfo>. Customers also can check their data usage anytime on AT&T's online portal.

Exhibit 7 contains additional information on, and examples of, the publicly available material and resources regarding AT&T's usage allowance practices. These include AT&T Internet Terms of Service (in effect from March 22, 2017 to November 14, 2017 and from November 15, 2017 to the end of this reporting period); AT&T Fixed Wireless Internet Terms

⁵⁰ AT&T, AT&T Internet Terms of Service, <https://www.att.com/shop/internet/att-internet-terms-of-service.html> (last visited Feb. 20, 2018). *See also* Exhibit 7.a.ii, AT&T Internet Terms of Service (in effect from Nov. 15, 2017 to the end of this reporting period).

(in effect from May 1, 2017 to November 14, 2017 and combined with the Internet Terms of Service in effect from November 15, 2017 to the end of this reporting period); and screenshots of AT&T's Online Data Calculator, Consumer Web Portals, and Order Summary pages.

3. Procedures for Reviewing Usage-Based Allowances and Other Offers Implicating the Condition

AT&T has procedures to review all new products and offers relating to its Fixed Broadband Internet Access Service in the early stages of product development to ensure that the terms and conditions of those products and offers comply with the Non-Discriminatory Usage-Based Practices Condition. In the ordinary course of business, AT&T already had established robust procedures to review all new offers, pricing and product enhancements relating to all of its regulated services (including Fixed Broadband Internet Access Service) to confirm compliance with legal and regulatory requirements. AT&T has incorporated into these existing procedures an additional review to ensure compliance with the Non-Discriminatory Usage-Based Practices Condition.

In particular, AT&T has an established intake process for review and approval of new products and product enhancements. AT&T has incorporated a step in each of these processes to ensure that relevant changes in the retail terms and conditions of its Fixed Broadband Internet Access Services are reviewed for compliance with the Condition. As part of these processes, Working Team Leaders and AT&T Legal receive proposed offers, pricing, and new products and product enhancements and review such proposals to ensure they comply with the Condition.

In addition, AT&T has established processes to ensure that all usage-based allowances associated with its Fixed Broadband Internet Access Service comply with the Condition. Certain Working Team members are responsible in the ordinary course of business for developing or

modifying any usage-based allowances AT&T might offer in conjunction with Fixed Broadband Internet Access Services. All such personnel must notify the Working Team Leaders of any proposed usage-based allowance offers, as well as seek the guidance of the Program Management Team and AT&T Legal to ensure compliance with the Condition, before proceeding to introduce any such offer in the marketplace.

IV. DISCOUNTED BROADBAND SERVICES PROGRAM

A. STATEMENT OF THE CONDITION

1. Condition

Within nine (9) months of the Closing Date, the Company shall establish and commence a program to substantially increase broadband adoption in low-income households throughout AT&T's wireline footprint (the "Discounted Broadband Services Program").

- a. The Company shall offer wireline Broadband Internet Access Service with download speeds of at least 10 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$10 per month. If 10 Mbps wireline Broadband Internet Access Service is not technically available, the Company shall offer wireline Broadband Internet Access Service with download speeds of at least 5 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$10 per month.
- b. Where AT&T has deployed broadband service at top speeds below 5 Mbps, the Company shall offer wireline Broadband Internet Access Service at speeds of at least 3 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$5 per month.
- c. Qualifying households are those where at least one individual participates in the Supplemental Nutrition Assistance Program ("SNAP"), subject to annual recertification, and that do not have outstanding debt for AT&T's Fixed Broadband Internet Access Services that was incurred within the six (6) months prior to the individual's request for services under the Discounted Broadband

Services Program or that is incurred for services provided under the Discounted Broadband Services Program and that is subject to the Company's ordinary debt collection procedures.

- d. The Company shall offer the discounts set forth in this condition for at least four (4) years from the commencement of the Discounted Broadband Services Program. Qualifying households who sign up for the Discounted Broadband Services Program in the fourth year of the Discounted Broadband Services Program shall remain eligible for at least twelve (12) months.
- e. Qualifying households shall not be required to pay any installation or modem charges or fees in order to participate in the Discounted Broadband Services Program.
- f. For the period during which this condition is in effect, the Company shall clearly and conspicuously market the Discounted Broadband Services Program, including but not limited to undertaking the following actions:
 - (i) Providing on the Company's consumer-facing homepage a link to a webpage devoted to describing the Discounted Broadband Services Program; and
 - (ii) Ensuring that the Company's Customer Service Representatives are trained prior to the commencement of the program to inform consumers of the availability of the Discounted Broadband Services Program offerings, including pricing, and terms and conditions as described in this condition.
- g. The Company shall effectively engage in targeted outreach efforts, in coordination with schools and community-based organizations serving low-income individuals and families, including, but not limited to veterans, the elderly, and those who are non-English speaking, to adequately publicize the availability of the Discounted Broadband Services Program, to ensure that qualified individuals and households are informed about and have access to the program. The Company shall make adjustments to its outreach efforts in response to reasonable requests from the Commission's Office of General Counsel and, at a minimum, shall take the following actions during each year that the program is in effect:
 - (i) Promote the Discounted Broadband Services Program, including through public service announcements that shall have a minimum annual value of \$15 million.

- (ii) Distribute Discounted Broadband Services Program information to at least twenty (20) organizations that work with low-income communities on a national and local level.
 - (iii) Coordinate with state education departments and local school districts, including requesting that all school districts within the Company's wireline footprint include information about the Discounted Broadband Services Program with their communications to families in advance of the school year, including in each communication relating to the National School Lunch Program ("NSLP"), as feasible and appropriate, to ensure that families that qualify for the NSLP are informed about the Discounted Broadband Services Program at the beginning of the school year and have the opportunity to register.
 - (iv) Provide appropriate promotional and collateral materials to all public school districts within the Company's wireline footprint and requesting that the materials be included in NSLP mailings.
 - (v) Educate school professionals about the Discounted Broadband Services Program, including by conducting outreach to various education-related associations such as parent-teacher associations and associations representing guidance counselors and social workers, in order to reach those who are most likely to work closely with students and families.
- h. Prospective participants shall be directed to a Company phone number dedicated to the Discounted Broadband Services Program to verify eligibility. Qualifying callers shall be transferred to a centralized order-entry center.
- i. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that includes a description of the Company's compliance with the condition, with the first such report to be submitted six (6) months after the Closing Date. The report shall at least include the following:
 - (i) The total number of households participating in the Discounted Broadband Services Program;
 - (ii) A detailed description of outreach efforts made during the reporting period to publicize the Discounted Broadband

- Services Program to schools and community-based organizations, including a list of the community-based organizations participating, and representative examples of the promotional and collateral materials provided; and
- (iii) An analysis of the effectiveness of the Discounted Broadband Services Program, describing any adjustments the Company has implemented during the reporting period or plans to implement to improve its effectiveness.

B. COMPLIANCE REPORT

1. Introduction & Working Team

AT&T launched the Discounted Broadband Services Program, branded *Access from AT&T*, in April 2016.⁵¹ The Program's launch was praised by public interest organizations and other stakeholders as an affordable broadband option for low-income individuals and families.⁵² AT&T's extensive outreach initiative has been met with overwhelming support from national, state and local public and private organizations. For example, the National Parent Teacher Association's ("PTA") executive director has applauded the Program, announcing that the National PTA is "pleased to team up with AT&T to empower families with the tools they need to connect to the internet and support their child's education at home."⁵³

As of December 31, 2017, more than 1000 organizations have agreed to help promote the Program, with over 300 new organizations agreeing to assist during this reporting period alone.

⁵¹ The Condition required AT&T to establish and commence the Program within nine months of the Closing Date — on or before April 22, 2016. *Merger Order*, Appendix B, § VI(2).

⁵² See Second Semi-Annual Compliance Report at 46-48.

⁵³ Press Release, *National PTA and AT&T Team Up to Help Close the Homework Gap*, National PTA (Jul. 20, 2017), <https://www.pta.org/home/About-National-Parent-Teacher-Association/PTA-Newsroom/news-list/2017/09/18/National-PTA-and-ATT-Team-Up-to-Help-Close-the-Homework-Gap>.

More than a year and a half since launch, the Program has connected even more low-income Americans to the internet, helping to bridge the digital divide. Indeed, the number of participants in the Program has increased by 50 percent since the prior reporting period. As described below, based on its experience from the first year and a half of the Program, AT&T has implemented several changes during this reporting period designed to facilitate the Program's success and expansion.⁵⁴

This report provides a detailed description of AT&T's implementation of the Discounted Broadband Services Program during the reporting period, including: (i) discounted broadband service offerings and eligibility criteria, (ii) number of participating households, (iii) marketing, (iv) outreach efforts, participating community-based organizations, and examples of promotional and collateral materials provided, and (v) an analysis of the effectiveness of the Program. As discussed below, AT&T's implementation, promotion, and operation of *Access from AT&T* is in full compliance with this Condition.

2. Broadband Service Offered and Qualifying Households

AT&T is offering *Access from AT&T* service plans for wireline Broadband Internet Access Service at the download speeds and prices specified in the Condition. As required by the Condition, AT&T is offering the following service tiers and prices for the Discounted Broadband Service, where technically available:

⁵⁴ AT&T has a Working Team to implement this Condition. This Working Team includes AT&T senior managers who, in the ordinary course of business, lead the development, promotion, and operation of AT&T's broadband internet access services. All members of this Working Team have been trained to understand what is required by this Condition.

- 10 Mbps for \$10/month;
- if 10 Mbps is not technically available, then 5 Mbps for \$10/month; or
- if 5 Mbps is not technically available, then 3 Mbps (where technically available) for \$5/month.

In addition, AT&T has expanded eligibility under the *Access from AT&T* program to include qualifying households that are unable to receive internet speed tiers of 3 Mbps and above.

Specifically, if a 3 Mbps speed tier is not technically available, AT&T is offering the faster of 1.5 Mbps or 768 kbps where technically available for \$5/month.⁵⁵

AT&T operates a dedicated call center for *Access from AT&T* for prospective participants to apply for the Program.⁵⁶ Agents at the dedicated call center both (1) verify whether the customer is eligible to participate in the Discounted Broadband Services Program and (2) coordinate service installation, including determining what services are technically available at that customer location.

With respect to Program eligibility, call center agents send, via regular mail, an application for the prospective participant to complete to verify that the applicant's household contains at least one member who participates in SNAP.⁵⁷ AT&T also has made the application

⁵⁵ See Third Semi-Annual Compliance Report at 34-35; Fourth Semi-Annual Compliance Report at 32-33.

⁵⁶ See Second Semi-Annual Compliance Report at 35; Third Semi-Annual Compliance Report at 35; Fourth Semi-Annual Compliance Report at 33. In addition to English- and Spanish-speaking agents at the Program's dedicated call center, AT&T supports other languages by engaging Language Line services. Language Line provides live agent translation for over 240 languages. Agents at the dedicated call center are able to conference in a Language Line representative who provides real-time translation between the agent and the customer.

⁵⁷ As of July 21, 2016, *Access from AT&T* extended eligibility to include California residents who participate in the California Supplemental Security Income ("SSI") program as an alternative to SNAP eligibility. Third Semi-Annual Compliance Report at 35 n.57.

available online. As suggested by the ICO,⁵⁸ AT&T has made changes to the online enrollment process to make it easier for prospective participants to apply.⁵⁹ During this reporting period, AT&T implemented even more changes to facilitate the application process, including: (i) adding toll-free numbers to each page of the online and mailed versions of the application, and (ii) updating the language on the *Access from AT&T* website to further clarify the steps needed to complete and submit an application.

Customers may submit applications, together with supporting documentation to verify participation in SNAP (such as a copy of their SNAP cards), online, or via email, fax, or U.S. mail.⁶⁰ Agents review the application and supporting documentation for completeness. Upon completion of this review, AT&T notifies applicants by mail or via email whether their applications have been approved and, if so, provides them instructions on how to contact the dedicated call center to order service. If an application has been denied, AT&T provides the reasons for that denial, which among other things may be due to lack of supporting documentation, failure to provide all information requested on the application, or failure to sign the application. As of August 2017, AT&T has accelerated the process for addressing applications that are denied preliminarily pending correction by allowing agents to email the correction request to the prospective participant rather than send it by mail.

⁵⁸ ICO Third Report at 51.

⁵⁹ See Fourth Semi-Annual Compliance Report at 33-34.

⁶⁰ AT&T, Shop, Internet, Access from AT&T, at Step 2, <https://www.att.com/shop/internet/access/index.html> (last visited Feb. 20, 2018) (“*Access from AT&T Website*”).

AT&T directs applicants with approved applications to call the dedicated call center, where agents confirm which service tier – *i.e.*, 10 Mbps at \$10, 5 Mbps at \$10, 3 Mbps at \$5, or 1.5 Mbps or 768 kbps at \$5 – is available at the prospective participant’s location.⁶¹ Specifically, the agents have a loop qualification tool that permits them to enter an address and determine the services and speeds available at that location. A prospective participant can also check service availability online for a preliminary determination.⁶² The agent then processes a service order, which includes an automatic credit check. For the Discounted Broadband Services Program, AT&T [BEGIN CONFIDENTIAL INFORMATION] [REDACTED] [END CONFIDENTIAL INFORMATION], so that all qualifying prospective participants⁶³ may obtain broadband service.

Finally, as required by the Condition, AT&T does not assess any installation or modem charges in order to participate in the Discounted Broadband Services Program.⁶⁴ AT&T sends

⁶¹ AT&T offers services under this Program wherever such services are technically available, as required by the Condition. As AT&T explained in the First Semi-Annual Compliance Report, there are a small number of DAs in which AT&T has not deployed broadband internet access services, and in the DAs in which AT&T has deployed legacy DSL services, there are a limited number of locations at which AT&T cannot offer any internet access service to additional customers, and thus services for the Program are not “technically available” in those areas. *See* First Semi-Annual Compliance Report at 38.

⁶² *Access from AT&T Website* at Step 1.

⁶³ *Merger Order*, Appendix B, § VI(2)(c) (“Qualifying households are those . . . that do not have outstanding debt for AT&T’s Fixed Broadband Internet Access Services that was incurred within the six (6) months prior to the individual’s request for services provided under the Discounted Broadband Services Program and that is subject to the Company’s ordinary debt collection procedures.”).

⁶⁴ AT&T otherwise applies its existing terms and conditions in conjunction with these services. Thus, for example, *Access from AT&T* service plans are subject to the monthly usage allowances described above, including the grace period and notifications provided to customers before they are billed for any usage above an applicable monthly usage allowance. Customer bills include the data usage limits that are applicable to the customer’s *Access from AT&T* service. Likewise, as with all of AT&T’s wireline broadband internet access services, AT&T will

Footnote continued on next page

customers who have completed the ordering process a self-installation kit, with a router and user-friendly installation instructions.⁶⁵ Instructions are available in English and Spanish. As an alternative to the self-installation process, AT&T will send a technician to the customer's location at no cost to the customer.

3. Number of Households Participating

As of December 31, 2017: (i) a total of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] qualifying households have subscribed to *Access from AT&T*, and (ii) AT&T is providing discounted broadband service through the Program to [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] households.

4. Marketing

Website: AT&T is marketing the Discounted Broadband Services Program by prominently displaying on its customer-facing homepage a link to a webpage, <https://www.att.com/access>, that describes the Program and encourages prospective participants to call a toll-free number to obtain more information about AT&T's Discounted Broadband

Footnote continued from previous page

repair or replace damaged equipment as AT&T deems necessary, except where the customer owns the equipment or the equipment is damaged due to the customer's intentional acts or negligence as determined by AT&T.

⁶⁵ As recommended by the ICO, AT&T engages in ongoing efforts to monitor and ensure that a customer is not billed for such equipment. *See* ICO Fourth Report at 64; *see also* Exhibit 11. When AT&T discovers instances of inadvertent charges, AT&T actively takes steps to credit such customers and ensure they are not charged improperly going forward.

Services.⁶⁶ The *Access from AT&T* Website clearly lays out step-by-step instructions for how a prospective participant can check to see if AT&T broadband is available at her location; determine whether she qualifies for the Program if service is available; and request service.⁶⁷ As discussed below, AT&T has partnered with numerous third parties to raise public awareness of *Access from AT&T*, and established a partner portal, accessible from a link on the *Access from AT&T* Website, where participating organizations that are engaged in communications and outreach can access promotional materials, application materials, email and social media templates, and other resources to help share information about the Program with their constituents.⁶⁸

Toll-Free Numbers: AT&T has English and Spanish toll-free numbers (English: 855.220.5211; Spanish: 855.220.5225) that are dedicated to the Discounted Broadband Services Program. In addition, AT&T is supplementing the dedicated toll-free numbers with additional numbers for targeted marketing and to track the effectiveness of its outreach efforts. These numbers are directed to the dedicated call center.

Training Customer Service Representatives: AT&T has built upon its existing customer care training programs to implement a specialized training program for the Discounted Broadband Services Program. In addition to the initial awareness training described in the Second Semi-Annual Compliance Report,⁶⁹ AT&T is offering ongoing refresher trainings to

⁶⁶ AT&T, Shop, Access from AT&T, <https://www.att.com/> (last visited Feb. 20, 2018).

⁶⁷ *Access from AT&T* Website at Steps 1-3.

⁶⁸ *Id.* at For Our Partners.

⁶⁹ *See* Second Semi-Annual Compliance Report at 38.

ensure Customer Service Representatives are aware of the Discounted Broadband Services Program and the dedicated call center, and know how to transfer customers to the dedicated call center for information about the availability, prices, terms and conditions of the Program.

AT&T has continued to improve the training and monitoring of its Customer Service Representatives, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]⁷⁰ [REDACTED]

[REDACTED]

[REDACTED]⁷¹

[END HIGHLY CONFIDENTIAL INFORMATION]

5. Outreach and Awareness

AT&T continues to promote *Access from AT&T* through the multi-pronged outreach program required by the Condition.

Public Service Announcements: AT&T is promoting *Access from AT&T* through public service announcements that have a minimum annual value of \$15 million, as required by the

⁷⁰ See ICO Fourth Report at 64.

⁷¹ Further details on the quality assurance steps that AT&T has taken during the reporting period to improve training for call center agents are provided in Exhibit 11.

Condition, and have aired on a variety of channels, including broadcast TV and radio, Hispanic spot TV and radio, local newspapers, and StateNets Radio.⁷²

As discussed further below, in addition to satisfying the public service announcement requirement, AT&T also is advertising to patrons of Dollar General and Family Dollar stores in areas where *Access from AT&T* services are available.⁷³ During this reporting period, AT&T ran three Dollar General and Family Dollar store campaigns, each for a two-week period: June 26, 2017 to July 9, 2017, July 24, 2017 to August 8, 2017, and August 21, 2017 to September 3, 2017. As part of these campaigns, the *Access from AT&T* offer displayed on receipts when a SNAP EBT card was used to pay for purchases. In total, these three Dollar General and Family Dollar store campaigns generated over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] printed receipts promoting *Access from AT&T* and resulted in over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] calls from potential participants in the Program as of September 30, 2017.

Distribute Information to At Least 20 Organizations: AT&T personnel are conducting targeted outreach efforts directed at national, state, and local private, government and quasi-governmental organizations serving low-income individuals and families – including households with school children, veterans, the elderly, non-English-speakers, and minorities. National non-

⁷² StateNets Radio is the exclusive representative firm for the National Association of State Radio Networks, which is comprised of 31 State Radio Networks that include over 1,800 radio stations across the country. See StateNets, Member Networks, <http://statenets.com/cms/index.php/member-networks-2/> (last visited Feb. 20, 2018).

⁷³ Samples of these marketing materials are provided in Exhibit 9.

profit organizations Connected Nation and EveryoneOn are assisting AT&T with these outreach efforts.⁷⁴

AT&T, with the assistance of EveryoneOn and Connected Nation, has contacted many organizations to provide information about *Access from AT&T*. Over 1000 of the organizations have agreed to promote *Access from AT&T* among the populations they serve, with over 300 new organizations added to the list during this reporting period.⁷⁵

Participating organizations may obtain promotional and collateral materials directly through AT&T's online partner portal or by contacting Connected Nation or EveryoneOn for assistance. Available materials include: a promotional flyer, FAQ, checklist of materials needed to complete the application, email templates, a poster, a promotional video, and the Program launch press release and social media verbiage.⁷⁶ Promotional materials are available in seven languages.⁷⁷ Organizations supporting AT&T's outreach efforts downloaded or ordered hard copies of more than 123,000 pieces of collateral during this reporting period.

National, State and Local Outreach

AT&T's outreach efforts at the national, state and local levels continue to achieve results.

Examples include:

- AT&T's Employee Resource Group, The NETwork - Black Integrated Communications Professionals ("The NETwork-BICP"), created a 21-state

⁷⁴ See Fourth Semi-Annual Compliance Report at 39-40.

⁷⁵ A list of organizations that have agreed to promote the Program is provided in Exhibit 8.

⁷⁶ Samples of these collateral materials are provided in Exhibit 9. In October 2017, AT&T updated the FAQ. Therefore, Exhibit 9 includes both versions of the FAQ that were used during the reporting period.

⁷⁷ The seven languages are English, Arabic, Chinese, Haitian Creole, Korean, Spanish, and Vietnamese.

outreach program for *Access from AT&T*, with an initial goal to have its members make 10,000 contacts promoting the Program in 2017. Beginning in April 2017, its members attended community events in low-income business districts, community centers, and neighborhoods to raise awareness by handing out *Access from AT&T* flyers, hanging posters and discussing *Access from AT&T* with people they encountered at local churches, festivals, community events and college and job fairs. NETwork-BICP met its “10K Touches” commitment during this reporting period, and has expanded its goal to making a total of 50,000 contacts, #50K Touches” by April of 2019.

- In August 2017, a representative of the City of McAllen, Texas reached out to EveryoneOn, requesting AT&T’s support in promoting AT&T’s low-cost broadband offer to the City’s low-income families and residents. As a result, on November 13, 2017, the City and McAllen ISD announced a new program to “bridge the digital divide for low income families in McAllen” thanks to a “partnership with AT&T and its Access service.”⁷⁸ Among other outreach, the City set up Program registration locations at the McAllen Public Library, Boys & Girls Club and other locations. Connected Nation provided Program flyers in English and Spanish to the City, and the McAllen ISD developed its own flyer,⁷⁹ with plans to distribute 25,000 copies to McAllen ISD families.
- In July 2017, the Public Service Commission of Wisconsin (“PSCW”) launched a tool for consumers to identify discounted internet offerings in their area accessible on the PSCW’s website.⁸⁰ After an address is entered, the tool lists carriers that have discounted internet offerings available in that area and provides a link to the carriers’ programs. For addresses located within AT&T’s wireline footprint, the tool will display a link to *Access from AT&T*.
- OCA - Asian Pacific American Advocates, a national organization dedicated to advancing the well-being of Asian Pacific Americans, promoted *Access from AT&T* during this reporting period to members of the Asian Pacific American community. As part of its outreach, OCA included full page advertisements for *Access from AT&T* in a variety of OCA publications (including materials

⁷⁸ See Steve Taylor, *City of McAllen, McAllen ISD Seek to Bridge Digital Divide*, Rio Grande Guardian (Nov. 14, 2017), <http://riograndeguardian.com/city-of-mcallen-mcallen-isd-seek-to-bridge-digital-divide/>; Danya Perez-Hernandez, *McAllen, District Partners with AT&T to Offer Low-cost Internet* (Nov. 28, 2017), http://www.themonitor.com/news/local/article_6d0fa21c-d4ac-11e7-8c78-a779d35f479b.html.

⁷⁹ See Exhibit 10 at 44.

⁸⁰ See PSCW, Broadband, Find your internet options, <https://psc.wi.gov/Pages/Programs/WBO.aspx>.

distributed at meeting and events, newsletters, and OCA's semi-annual magazine) and sent emails containing information about the Program to OCA's national constituency. In 2018, OCA plans to engage local chapters in its outreach program.

- In 2017, four key national stakeholder organizations – the National Action Network, National Urban League, National Coalition on Black Civic Participation and Rainbow Push Coalition – assisted AT&T in promoting the availability of *Access from AT&T* to African American communities on a state and local level. Examples of their activities include the following:
 - The National Coalition on Black Civic Participation and Black Women's Roundtable incorporated *Access from AT&T* into the Black Women's Empowerment Regional Summits held in Alabama, Georgia, Florida, Michigan, and Ohio. Program flyers were distributed at these events, which were attended by more than 4,500 participants.
 - National Urban League distributed *Access from AT&T* flyers at its Annual Conference, held in St. Louis on July 26-29, 2017. In addition to distributing collateral, AT&T presented information about the Program at the conference exhibit hall.
 - National Action Network distributed Program collateral to 250 ministers and leaders attending its National Convention in New York in April 2017. Over 2,000 hand fans were created and distributed in Black churches within AT&T's footprint.
 - Through its One Thousand Churches Connected initiative, Rainbow Push Coalition provided Program collateral at various meetings to members and church leaders for distribution to their communities. In addition, Rainbow Push Coalition promoted the Program at its Annual Conference on July 12-15, 2017 and its Media & Telecommunications Symposium (addressing Digital Solutions, Economic Opportunities and Social change) held in Washington D.C. on November 14-15, 2017, where AT&T presented information about *Access from AT&T* on a panel discussion with other providers.

Program Awareness and Community Events

As a stakeholder in the U.S. Department of Housing and Urban Development's ("HUD's") ConnectHome Initiative, now branded "ConnectHome USA,"⁸¹ AT&T agreed to conduct 30 Program awareness and enrollment events across 14 ConnectHome pilot communities within the AT&T 21-state wireline footprint by the end of 2017.⁸² During this reporting period, AT&T conducted 12 events in 10 communities,⁸³ fulfilling its 2017 commitment. EveryoneOn is leading the expansion of the ConnectHome USA, "with the goal of connecting 350,000 people living in [HUD]-assisted housing by 2020," and is continuing to promote *Access from AT&T* in this role.⁸⁴ On August 21, 2017, EveryoneOn announced the addition of 30 new communities to the ConnectHome USA initiative,⁸⁵ 20 of which are located within AT&T's 21-state wireline footprint.

AT&T attended the third annual ConnectHome USA summit hosted by HUD and EveryoneOn in Washington, D.C. on October 31- November 1, 2017. The summit was attended by ConnectHome USA stakeholders, including local housing authorities, internet service providers, device refurbishers, and others. AT&T presented information about *Access from*

⁸¹ See Third Semi-Annual Compliance Report at 43-44; Fourth Semi-Annual Compliance Report at 42-43.

⁸² AT&T has engaged The Marketing Arm, a marketing and promotion agency, to assist with conducting *Access from AT&T* outreach events.

⁸³ These communities include the following: Durant, Oklahoma (2 events); New Orleans, Louisiana; Albany, Georgia; Little Rock, Arkansas; Memphis, Tennessee; Nashville, Tennessee (2 events) Kansas City, Missouri; San Antonio, Texas; Rockford, Illinois; and Atlanta, Georgia. See also Fourth Semi-Annual Compliance Report at 42 n.81.

⁸⁴ Fourth Semi-Annual Compliance Report at 42-43.

⁸⁵ See Press Release, 30 New Communities to Join ConnectHome Nation Initiative (Aug. 21, 2017), <https://everyoneon.org/2017/08/21/30-new-communities-to-join-connecthome-nation-initiative/>.

AT&T to audience members (including attendees and those viewing on streaming video), and staffed a table to answer questions, provide flyers and distribute other promotional materials.

Separate and apart from the 30 ConnectHome USA program awareness and enrollment events described above, AT&T also conducted a series of 30 such events in 2017 (23 during this reporting period and 7 during the last reporting period)⁸⁶ at different community locations (such as YMCAs, senior centers and local schools) for local families and organizations. For example, on November 28, 2017, AT&T in collaboration with the Community Computer Alliance and the YMCA of Central Ohio held a Program enrollment event in Columbus, Ohio as part of the 2017 Linden Turkey Tech Tailgate. In addition to having a booth at the event, AT&T promoted the Program through flyers, two radio interviews and a television interview.

During this reporting period, AT&T committed to conduct a total of 20 additional Program enrollment and awareness events in 2018, to be held in certain of the newly added HUD communities discussed above.

EveryoneOn and Connected Nation Activities

EveryoneOn continued to conduct outreach to its local and national partners, inviting them to promote the Program in various ways, including distributing *Access from AT&T* collateral and hosting enrollment activities.⁸⁷ In 2017, EveryoneOn promoted *Access from AT&T* in 17 separate conferences and presentations, 6 of which were held in this reporting period. EveryoneOn also held a webinar for its Southern California enrollment partners to learn

⁸⁶ Fourth Semi-Annual Compliance Report at 43-44.

⁸⁷ Second Semi-Annual Compliance Report at 41; Third Semi-Annual Compliance Report at 43; Fourth Semi-Annual Compliance Report at 44.

about *Access from AT&T*. As the result of EveryoneOn's local outreach efforts during 2017, seven organizations held a total of eight enrollment events to facilitate enrollment in *Access from AT&T*; one of these events was held in the current reporting period. Eighty-four families enrolled on-site during these events, and hundreds more received collateral. Additionally, *Access from AT&T* continued to be featured on EveryoneOn's offer locator tool, which is used by diverse audiences to find low-cost internet service and device offers through a zip code search.

During this reporting period, Connected Nation continued to manage information and collateral requests from third-party organizations, including responding to email inquiries and maintaining a dedicated phone number specific to the Program. Connected Nation surveyed organizations participating in the Program about the promotional activities they conducted, and provided progress reports and data to AT&T on such outreach efforts.⁸⁸ Connected Nation reports that organizations added between July 1, 2017 through December 31, 2017 support an estimated 10 million consumers, for a total of more than 14 million consumers supported since 2016.⁸⁹ Based on survey responses, during this reporting period, Connected Nation estimates the *Access from AT&T* partner organizations sent e-newsletters with information about the Program to more than 105,000 recipients, distributed print newsletters with information about the Program

⁸⁸ A Connected Nation report for the period ending December 31, 2017 is provided in Exhibit 10.

⁸⁹ The number of consumers supported by partner organizations has increased significantly above the 1.9 million reported previously because many of the newly added organizations provide statewide and countywide services and therefore support a larger consumer population. In addition, several existing organizations provided data about the number of consumers they support for the first time this reporting period. See Exhibit 10 at 11.

to about 31,000 recipients, distributed information at events with approximately 15,000 attendees, and have had about 77,700 social media impressions.⁹⁰

During this reporting period, AT&T completed outreach to organizations that agreed to help promote *Access from AT&T* in 2016, requesting their continued assistance with promoting the Program in 2017 and advising that Connected Nation would follow up to provide additional information.⁹¹ Connected Nation successfully reached approximately 80 percent of those organizations via phone and email, reminding them about the Program and the availability of resources for them to share with their communities.⁹² Shortly after the start of the 2017-2018 school year, Connected Nation emailed the partner organizations, providing links to electronic Program materials and information on AT&T's digital literacy site, Digital You.⁹³

Coordination with and Distribution of Promotional and Collateral Materials to State Education Departments and School Districts: AT&T continues to promote *Access from AT&T* to school districts and education professionals. On July 17, 2017, AT&T sent letters to public school districts located within its 21-state wireline footprint, providing details about *Access from AT&T*, requesting that information about the Program be placed in National School Lunch Program packets, giving examples of how the district can help promote the Program, including a copy of a Program flyer.⁹⁴ The letter also invited school district administrators to attend one of

⁹⁰ Samples of these collateral materials are contained in Exhibit 10.

⁹¹ A sample of this email is provided in Exhibit 9. *See also* Fourth Semi-Annual Compliance Report at 45.

⁹² *See* Exhibit 10 at 4.

⁹³ A copy of this email is included in Exhibit 10.

⁹⁴ A copy of the letter and the flyer that accompanied the letter are contained in Exhibit 9.

two webinars to be held by EveryoneOn in order to learn more about the Program. In addition, on July 24, 2017 and September 26, 2017, AT&T sent emails containing information similar to the direct mail letter to school administrators whose email addresses were available to AT&T.⁹⁵

In addition to the promotions sent by AT&T, EveryoneOn continued to coordinate with local schools and school district contacts to share information about the Program via email, phone, presentations and events. During this reporting period, EveryoneOn contacted more than 840 schools and school districts about *Access from AT&T*, for a total of over 2,000 contacted during 2017. Of those schools and school districts, 114 agreed to distribute collateral about the Program.

EveryoneOn followed up its phone contacts with an email that provided a description of *Access from AT&T*, links to the Program promotional and collateral materials, and suggestions for potential outreach and enrollment strategies. EveryoneOn's Outreach Specialist also encouraged schools and school districts to share any outreach activities implemented.

Educate School Professionals: AT&T is working with key national education-related associations and advocacy groups representing educators, guidance counselors, and social workers – such as FCCLA, National PTA, and American Counseling Association – to gain assistance in disseminating the Program details among the populations these organizations serve.⁹⁶

⁹⁵ Copies of both emails are contained in Exhibit 9.

⁹⁶ Education-related organizations that have agreed to assist in promoting the Program are included in Exhibit 8, and sample promotional materials are in Exhibit 9.

AT&T worked with the National PTA to conduct outreach to school districts during the 2016-2017 school year.⁹⁷ In a press release about the collaboration, the president of the National PTA explained that “[t]echnology and the internet have created countless opportunities for teaching and learning. Having access to both is essential for students to develop the skills they need to be competitive, . . . [h]owever, among schools, across districts and in homes many students and families lack sufficient connectivity. Increasing internet access for families is critical to help make sure all students have every opportunity for success.”⁹⁸ National PTA targeted local PTAs across AT&T’s 21-state wireline footprint to share information about *Access from AT&T* for eligible participants, as well as other information about digital learning and resources available to support internet access for eligible participants. During this reporting period, PTA Councils⁹⁹ distributed information about the Program at back-to-school events held in Louisville, Charleston, Chicago, Orlando and Huntsville. Each Council received promotional social media tools, *Access from AT&T* flyers, and technical assistance from National PTA staff, EveryoneOn and Connected Nation. Representatives were present at booths or tables at the event to answer questions about *Access from AT&T*. Various resources were made available to

⁹⁷ Third Semi-Annual Compliance Report at 47-48; Fourth Semi-Annual Compliance Report at 47.

⁹⁸ Press Release, *National PTA and AT&T Team Up to Help Close the Homework Gap*, National PTA (Jul. 20, 2017), <https://www.pta.org/home/About-National-Parent-Teacher-Association/PTA-Newsroom/news-list/2017/09/18/National-PTA-and-ATT-Team-Up-to-Help-Close-the-Homework-Gap>.

⁹⁹ A PTA Council is a group of local PTA units organized under the authority of the state PTA for the purpose of coordinating efforts of the local PTA units. See What is a PTA Council, available at <http://www.frederickpta.org/about> (last visited Feb. 20, 2018).

participants including, for example, making laptops and printers available at two events in Huntsville for families to check service availability at their address.

National PTA's 21-state outreach also includes social media, segmented emails, and a recorded webinar for on-demand viewing by local PTA leaders and the families they serve. As part of its outreach during this reporting period, National PTA also displayed banner ads on its website and maintained a dedicated webpage featuring *Access from AT&T*, in addition to tweeting promotional material about the Program.

Also during this reporting period, *Access from AT&T* was highlighted at the FCCLA 2017 National Cluster Meetings held in Washington, D.C. on November 10-11, 2017 and in Oklahoma City, Oklahoma on November 17-18, 2017. More than 1,400 participants attended the meetings in D.C. and over 1,900 attended in Oklahoma City.¹⁰⁰ FCCLA youth members promoted the Program at exhibit displays at both meetings and passed out branded *Access from AT&T* cups, flyers, and information sheets about the opportunities to engage in outreach activities this year. In addition, the *Access from AT&T* logo was included on the meeting bags, lanyards and on digital screens in FCCLA's general session at the National Cluster Meetings.

The American Counseling Association promoted *Access from AT&T* by including banner ads for the Program on its website during this reporting period.

¹⁰⁰ As explained in the Fourth Semi-Annual Compliance Report, AT&T and FCCLA—a nonprofit national career and technical student organization— have implemented a collaboration whereby FCCLA is requesting local chapter advisers to promote *Access from AT&T* at chapter events and in their communities. See Fourth Semi-Annual Compliance Report at 47.

6. Analysis of Effectiveness of Program

AT&T knows that an “affordable home internet connection is vital to promote digital inclusion—making it possible for students to complete homework and families to apply for jobs, keep in touch with family and friends and so much more.”¹⁰¹ That is why AT&T is “proud to play a part in helping to narrow the digital divide by providing low-cost internet options for families who need it the most and providing tools and resources for everyone to have a safe experience online.”¹⁰² As of December 31, 2017, AT&T has received [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] calls from prospective participants, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] unique views on the *Access from AT&T* Website, and [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] visits to the “Apply Now Link.”

AT&T’s national, state and local efforts to enlist outreach partners that work with low-income communities have continued to exceed the Condition’s requirements. As explained above, as of December 31, 2017, over 1000 organizations have agreed to promote the Program

¹⁰¹ Press Release, *National PTA and AT&T Team Up to Help Close the Homework Gap*, National PTA (Jul. 20, 2017), <https://www.pta.org/home/About-National-Parent-Teacher-Association/PTA-Newsroom/news-list/2017/09/18/National-PTA-and-ATT-Team-Up-to-Help-Close-the-Homework-Gap>.

¹⁰² AT&T California, Blog Post, *Helping Households ‘Spring into Access’* (Apr. 28, 2017), <https://engage.att.com/california/blog/?PostId=3900>.

among the populations they serve.¹⁰³ Subscriber enrollment throughout AT&T's wireline footprint, in part, reflects the breadth of AT&T's outreach efforts.

A considerable amount of work has gone into the implementation and operation of *Access from AT&T* and the outreach campaign to build awareness about the new Program. While AT&T is extremely proud of what it has accomplished in less than two years, AT&T is continuing to take steps to help ensure the success of the Program and facilitate its expansion. As recognized by the ICO, "AT&T is not only analyzing the effectiveness of the DBS Program, but also making timely and effective changes to channel its analysis into the ongoing improvement of the initiative."¹⁰⁴

As of December 31, 2017, AT&T is providing discounted broadband service through the Program to [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] qualifying households. Of these households, the vast majority are provisioned on the IP network.¹⁰⁵ Of the IP-based customers, about [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] are receiving AT&T's 10 Mbps service tier at a price of \$10/month. Program outreach and awareness efforts have resulted in *Access from AT&T* subscribers in all 21-states in the wireline broadband services footprint. Customer applications indicate that over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END

¹⁰³ A list of these organizations is provided in Exhibit 8.

¹⁰⁴ ICO Fourth Report at 61.

¹⁰⁵ About [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] are being provisioned on the legacy DSL network.

HIGHLY CONFIDENTIAL INFORMATION] of respondents heard about *Access from AT&T* via our promotional or outreach efforts. The number of subscribers is increasing steadily as the Program ramps up and awareness grows, and through AT&T's efforts to improve the enrollment process, as described below. Indeed, since the prior reporting period, the number of subscribers has increased by over **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** subscribers.

AT&T also has taken steps to attract more subscribers and expand the Program. As described in the Third and Fourth Semi-Annual Compliance Reports,¹⁰⁶ AT&T extended eligibility for the Program to California residents who participate in the California SSI program as an alternative to SNAP eligibility.¹⁰⁷ California residents who participate in the California SSI program may not also claim federal SNAP benefits. As a result, California SSI participants are not eligible for *Access from AT&T* based on SNAP participation. As of December 31, 2017, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** applications submitted by California SSI participants have been approved, and **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** California SSI participants have *Access from AT&T* service.

AT&T has further expanded the Program to include prospective participants that are unable to receive internet speed tiers of 3 Mbps and above. In particular, as of October 2, 2016,

¹⁰⁶ Third Semi-Annual Compliance Report at 50-51; Fourth Semi-Annual Compliance Report at 50.

¹⁰⁷ See *Access from AT&T* Website.

eligible individuals or households that apply for *Access from AT&T* that are not able to receive service at the 3 Mbps speed tier, but are able to receive service of up to 768 kbps or 1.5 Mbps, will be offered the faster of these two speeds at their location for \$5/month. As of December 31, 2017, about [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] customers have subscribed to *Access from AT&T* for speeds below 3 Mbps.

As discussed above, AT&T has continued to market to certain potentially budget-minded consumers, including Dollar General and Family Dollar store patrons. During this reporting period, AT&T's Dollar General and Family Dollar store campaigns ran for three separate two-week periods. As part of the campaigns, the *Access from AT&T* offer displays on receipts when a SNAP EBT card is used to pay for purchases, and a total of nearly [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] receipts with the *Access from AT&T* offer were printed during the June 26, 2017 to July 9, 2017 campaign, over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] were printed during the July 24, 2017 to August 8, 2017 campaign, and approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] were printed during the August 21, 2017 to September 3, 2017 campaign. These efforts resulted in over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] calls from potential participants in the Program as of September 30, 2017.

In addition, AT&T has continued to make changes to the Program in an effort to increase the number of customers in service.¹⁰⁸ In particular, as of December 2017, AT&T has increased the time for customers to order service from 30 to 90 days of the dated approval letter. And to quickly get a new application or supporting documentation request to a customer, as of August 2017, if an application has been denied preliminarily pending correction by the applicant, the agent can email the request to the prospective participant, rather than send it by mail.

During this reporting period, AT&T also has continued to take steps to improve its outreach efforts, as described above. AT&T conducted 12 ConnectHome USA program awareness and enrollment events this reporting period, and has committed to holding an additional 20 such events in 2018. In addition to its ConnectHome efforts, AT&T also conducted a series of 23 such events for local families and organizations at different community locations (such as YMCAs, senior centers and local schools) throughout AT&T's 21-state wireline footprint.¹⁰⁹

As described above, EveryoneOn also continues to highlight *Access from AT&T* to a wide variety of audiences at diverse local and national conferences, including through ConnectHome USA events. EveryoneOn continues to make *Access from AT&T* available on its offer locator tool, which is used by diverse audiences to find low-cost internet service and device offers through a zip code search.

¹⁰⁸ See Exhibit 11.

¹⁰⁹ The Marketing Arm provides AT&T with a summary report after each event, which provides key learnings and recommendations AT&T uses to improve future events.

AT&T's outreach efforts are raising awareness about the Program. AT&T includes *Access from AT&T* questions in the weekly online survey that AT&T conducts continuously throughout the year in discount broadband markets to measure awareness and interest in the Program. During this reporting period, awareness of the Program increased for the targeted market of SNAP participants when advertising was present in the market. Survey results during this reporting period show that SNAP participants always had a higher awareness [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] and interest in the Program [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] than consumers who did not qualify for the Program.

Connected Nation continues to survey the organizations participating in the Program to learn what promotional activity has taken place and to collect metrics about outreach activities undertaken by organizations responding to the survey.¹¹⁰ Partner organizations provided feedback to Connected Nation via an electronic survey or via telephone, and 92 organizations provided feedback during this reporting period about their participation in the Program. Of the organizations responding to the survey, nearly 39 percent provide services to minority organizations, 70 percent provide services to low-income households, 3 percent provide services to seniors, and 47 percent provide services to youth. About 86 percent of survey respondents stated that they are assisting in raising awareness about *Access from AT&T*, reporting that they

¹¹⁰ The Connected Nation report for the period ending December 31, 2017 contained in Exhibit 10 describes the feedback provided on outreach activities by partner organizations.

have engaged in numerous outreach activities, such as distributing flyers, mailings and newsletters, and posting on social media and websites. About 87 percent of the respondents plan to do even more to promote the Program in the future. According to Connected Nation, the responding organizations continued to incorporate *Access from AT&T* outreach activities in their regular interactions with customers, particularly youth and senior-serving institutions and organizations that provide or support social services.

Connected Nation also saw an increased awareness of the Program as compared to 2016 when the Program was first offered, and noted that great partnerships arose in sectors that traditionally would not be perceived as being concerned about digital literacy. For example, according to Connected Nation, food banks in places such as Kansas, Ohio, and Florida appeared to have a keen interest in supporting the Program. In addition, Connected Nation reports significant increases in the estimated number of recipients of collateral and other information about the Program.¹¹¹

AT&T is continuing to use the resources of Connected Nation to help AT&T ensure that the outreach program is achieving its broad objectives and to assess the Program's overall effectiveness moving forward.

¹¹¹ See Exhibit 10 and 12, Table 5.